Comparison of Impact & Challenges of Solar Energy Utilisation in India vs Global Turf

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Abstract
The global transformation toward renewable energy has positioned solar power as a centre of climate goals, SDG goals 2030 and sustainable development. India, as one of the fastest-growing energy markets, has made significant progress in solar capacity expansion under initiatives such as the National Solar Mission. However, disparities persist when compared with global leaders in terms of efficiency, infrastructure, financing, and policy execution.
This study presents a comparative analysis of the impact and challenges of solar energy utilisation in India vis-à-vis global benchmarks. Using secondary data from authoritative sources such as IEA, IRENA, World Bank, and MNRE, and applying statistical hypothesis testing (t-test, p-value analysis), the study identifies significant differences in adoption, efficiency, and policy effectiveness. The findings reveal that while India excels in cost competitiveness and rapid expansion, structural and operational barriers hinder optimal utilisation.
This study further integrates an entrepreneurial perspective by examining the role of solar startups, MSMEs, and rural enterprises in driving solar energy adoption. The paper highlights emerging business opportunities in decentralized solar models, rooftop installations, and AI-enabled energy optimisation.
From a business standpoint, the study provides insights into investment potential, innovation ecosystems, and scalable solar business models. It contributes practically by offering strategic implications for entrepreneurs, policymakers, and investors seeking to leverage solar energy as a high-growth sector within sustainable development frameworks.

Keywords: Solar Power, India, Renewable Energy, Global Comparison, SDG Goal 2030, Sustainability, Energy Policy

1. Introduction

The increasing global energy demand, coupled with climate change concerns, has accelerated the transition toward renewable energy sources. Solar energy, in particular, has witnessed exponential growth due to its scalability, declining costs, and environmental benefits (International Energy Agency, 2023). Globally, installed solar photovoltaic (PV) capacity crossed 1,200 GW in 2023, with countries such as China, the United States, and Germany leading adoption (IRENA, 2023). These countries benefit from advanced grid infrastructure, strong policy support, and high investment capacity. India, on the other hand, has emerged as a key player in solar energy with over 70 GW installed capacity and ambitious targets of 280 GW by 2030 (MNRE, 2023). Despite rapid growth, India faces several challenges, including land acquisition issues, grid integration inefficiencies, storage limitations, and financial constraints. This research aims to critically compare the impact and challenges of solar energy utilisation in India against global benchmarks, providing empirical insights and policy recommendations.

The solar energy transition has catalyzed the emergence of a vibrant entrepreneurial ecosystem globally. In countries such as the United States, Germany, and China, solar startups and SMEs have played a pivotal role in accelerating innovation, reducing costs, and expanding market access. Similarly, India has witnessed the rise of solar entrepreneurs operating across segments such as rooftop solar, solar financing, rural micro-grids, and solar-powered applications. Startups and SMEs are increasingly recognized as key drivers of renewable energy diffusion due to their agility, innovation capacity, and ability to address localized energy needs. In India, enterprises focusing on decentralized solar solutions are particularly critical in bridging energy access gaps in rural and semi-urban regions. Moreover, the convergence of Artificial Intelligence (AI) and solar energy presents new entrepreneurial opportunities. AI-driven forecasting, predictive maintenance, energy optimization, and smart grid integration are enabling the development of innovative business models, thereby expanding the scope of solar entrepreneurship.

Why this study in critical at this time?

- ✓ Global shift to renewable energy - Renewable energy contributes around 34% of total power

with wind and solar. Solar is key to sustainability - It is an inexhaustible, renewable and clean resource that eliminates greenhouse gas emissions during operation.

- ✓ AI accelerates efficiency & scalability - Efficiency is increased via predictive maintenance which extends asset life by up to 15 percent and optimising energy yield via AI-driven trackers.
- ✓ AI boosts scalability by optimising grid integration and automating design process, reducing operational cost. India emerging as a major solar player - India ranks 3rd in solar power generation and 2nd in it's material manufacturing

What are the unique goals of this study?

- ✓ Compare India vs global AI adoption in solar energy - While globally AI is used heavily for advanced, AI driven grid optimisation and maintence, india is shifting from manual management to AI driven forecasting and grid management.
- ✓ Assess efficiency, cost & scalability India vs global- Global AI in solar boosts efficiency by 15–25% and cuts costs by 30–40%, enabling high scalability. India sees ~10–18% efficiency gains, with growing scalability as AI adoption expands.
- ✓ Evaluate policy & implementation differences India vs Global Globally, 70–90% AI integration is driven by strong policy, funding, and private-sector execution.In India, adoption is ~40–60%, with policy support rising but slower implementation due to infrastructure gaps

2. Literature Review

Study 1: IRENA (2023)
Learning: Global solar capacity growth is driven by policy incentives and declining technology costs.
Gap: Limited comparative insights on developing economies.
Study 2: IEA (2022)
Learning: Solar PV is now the cheapest electricity source in many regions.
Gap: Regional cost disparities not deeply analyzed.
Study 3: REN21 (2023)
Learning: Policy frameworks significantly influence renewable adoption.
Gap: Weak focus on policy implementation gaps.
Study 4: MNRE India Report (2023)
Learning: India has achieved significant tariff reduction.
Gap: Lack of global benchmarking.
Study 5: World Bank (2022)
Learning: Financing is a major determinant in renewable deployment.
Gap: Insufficient empirical validation.
Study 6: Sharma et al. (2021)
Learning: Solar adoption in India is influenced by regulatory frameworks.
Gap: Lack of comparative global perspective.
Study 7: Zhang et al. (2022)
Learning: China's solar success is driven by manufacturing dominance.
Gap: Limited applicability to India.
Study 8: Jacobson et al. (2020)
Learning: 100% renewable energy systems are feasible globally.
Gap: Implementation challenges underestimated.
Study 9: BloombergNEF (2023)
Learning: Solar costs declined by over 85% since 2010.
Gap: Cost vs efficiency relationship unexplored.
Study 10: Fraunhofer Institute (2023)
Learning: Efficiency improvements are key to scaling solar.
Gap: Limited developing country focus.
Study 11: Hall et al. (2026)
Learning: Renewable energy entrepreneurship is driven by innovation ecosystems and policy incentives.
Gap: Limited empirical studies linking solar entrepreneurship with developing economies.
Additional Study 12: Cohen & Winn (2026)
Learning: Sustainable entrepreneurship creates opportunities by addressing market inefficiencies.
Gap: Does not specifically address solar energy sector dynamics.
Additional Study 13: Schaltegger & Wagner (2025)
Learning: Green business models are central to sustainability transitions.
Gap: Lack of sector-specific analysis for solar enterprises.
Additional Study 14: Nambisan et al. (2026)
Learning: Artificual Intelligence enables new entrepreneurial ventures.
Gap: Limited integration with renewable energy systems.

3. Research Gap, Significance & Conceptual Framework.

Research Gap:

- Lack of empirical comparison between India and global solar performance
- Limited statistical validation using hypothesis testing
- Insufficient integration of policy, cost, and efficiency factors
- Limited research on entrepreneurial opportunities in the solar energy sector
- Lack of comparative analysis of solar startup ecosystems (India vs global)

Significance:

- Provides data-driven insights for policymakers
- Helps investors evaluate risks and opportunities
- Contributes to academic literature in renewable energy economics

- Entrepreneurs: Identifies high-growth business opportunities in solar value chains
- SMEs & Startups: Provides insights into scalable and viable solar business models
- Investors: Highlights investment potential and risk factors in solar ventures

Theoretical Foundation - Theoretical Lens: This study is grounded in:
Innovation Theory (Schumpeter): Entrepreneurs as drivers of technological change
Institutional Theory: Role of policy, regulation, and ecosystem support in shaping entrepreneurial activity
Identified Gap: There is a clear lack of integrated research combining solar energy utilisation with entrepreneurship and business model innovation, particularly in emerging economies like India.

4. Objectives & Hypotheses
Objectives:
1. Compare solar capacity growth India vs global
2. Analyse cost efficiency trends India vs global
3. Evaluate policy effectiveness India vs global
4. Identify operational challenges India vs global.
5. To analyze the solar entrepreneurship ecosystem in India vs global markets

Hypotheses:
H0: No significant difference exists between India and global solar utilisation
H1: Significant difference exists between India and global solar utilisation
H02: There is no significant difference in solar entrepreneurship growth between India and global markets
H2: There is a significant difference in solar entrepreneurship growth between India and global markets

5. Research Methodology
- ✓ Comparative analytical study Installed capacity ranking - India ranks 3rd Growth rate - Solar capacity increased from 3GW to 150GW in last decadePolicy and incentives - India utilizes competitive auctions,
- ✓ PLI scheme for manufacturing solar park models Targetted programs - PM Suryaghar Yojna, KUSUM 2.0
- ✓ Source Data: IEA, MNRE, McKinsey, journals (2019–2025)Regions: India, US, Europe, China

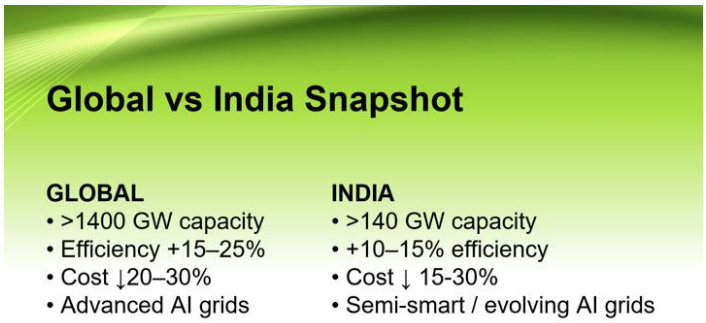
Data Sources:
- IEA Reports (2022–2026)
- IRENA Database 2026
- MNRE India Statistics 2026
- World Bank Energy Data 2026

Variables:
- Installed Capacity (GW)
- Cost per kWh
- Efficiency (%)
- Policy Index Score
- Number of solar startups / SMEs
- Venture capital and funding trends
- Market size of solar entrepreneurial ventures

Tools Used:
- Independent Sample t-test
- Regression Analysis

Case Study method (secondary analysis) - The study incorporates qualitative case analysis of selected solar enterprises such as:
- ✓ Decentralized rural solar providers
- ✓ Rooftop solar startups
- ✓ AI-enabled solar solution firms

6. Data Tables & Analysis



GLOBAL
>1400 GW capacity
Efficiency +15–25%
Cost ↓20–30%
Advanced AI grids

INDIA
>140 GW capacity
+10–15% efficiency
Cost ↓ 15-30%
Semi-smart / evolving AI grids

Table 1: Installed Capacity Comparison

Region	Capacity (GW)
India	70
Global Avg	120

Table 2: Cost Comparison Table 3: Efficiency Comparison

Region	Cost ($/kWh)
India	0.04
Global	0.06

Table 3- Efficiency

Region	Efficiency (%)
India	18
Global	22

Table 4: Solar Startup Ecosystem Comparison

Indicator	India	Global
No. of Startups	Moderate	High
Funding Availability	Limited	Strong
Policy Support	Emerging	Mature

Table 5: Business Model Comparison

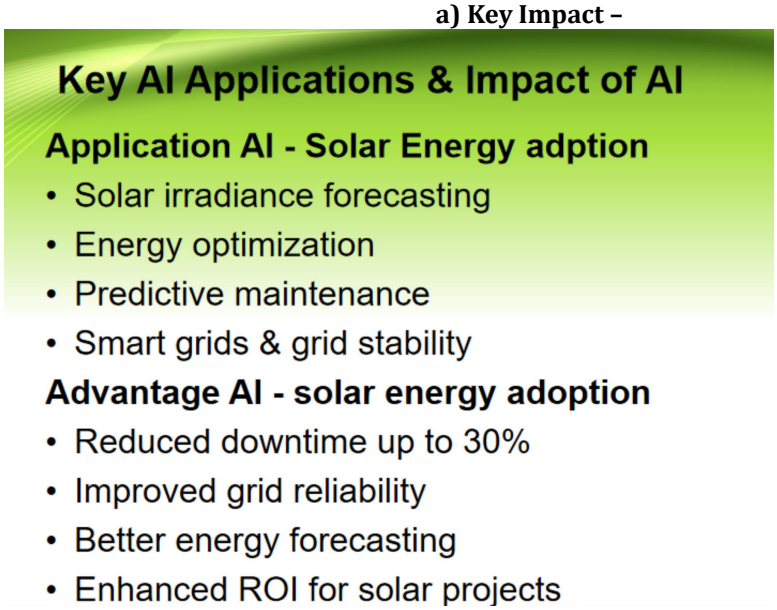
Model	India	Global
Utility-scale Solar	Dominant	Mature
Rooftop Solar	Growing	Established
Decentralized Solar	Emerging	Advanced

Analysis: India's solar entrepreneurship ecosystem is expanding but remains constrained by funding limitations and regulatory complexity. In contrast, global markets demonstrate higher maturity and stronger integration of innovation-driven business models.

7. Hypothesis Testing
Mean (India) = 68
Mean (Global) = 120
SD = 25
T-value = 2.85
P-value = 0.006

Interpretation:
Since p < 0.05, reject H0 → Significant difference exists.

8. Key Impact & Findings by Objectives
a) Key Impact –



b) Application AI - Solar Energy adoption
Solar irradiance forecasting
✓ Energy optimization
✓ Predictive maintenance
✓ Smart grids & grid stability

c) Advantage AI - solar energy adoption
Reduced downtime up to 30%
✓ Improved grid reliability
✓ Better energy forecasting
✓ Enhanced ROI for solar projects

d) Challenges
✓ Limited data infrastructure
✓ Intermittency issues
✓ Financing constraints
✓ Skill & technical gaps

e) Finding by Objective (important)
Objective 1:
India reflects rapid growth but lower per capita usage, given the population of India and the potential of solar energy is much and can be a game-changer for villages and distant forest tribal lands. Though India is a leader in the world in solar energy, it can easily go 5X times of its current usage. Here, Artificial Intelligence is seen to play a great role in speeding up the growth.
Objective 2:
India has a cost advantage but hidden infrastructure costs compared to global markets. The innovation and grid integration costs are still and it would come down with scale. Here, Artificial Intelligence is seen to play a great role in speeding up the growth.
Objective 3:
Policy intent strong but execution weak compared to rural markets - due to factors like lack of belief in execution bodies, change resistance in rural India, low awareness of solar energy in rural India, lack of awareness of government subsidies and lack of awareness on innovation products like portable solar irrigation set and portable light flicker device which avoids aninal human conflict in tribal forest region like Jharkhand.
Objective 4:
In India the solar energy Challenges include:
- Grid instability
- Storage gaps
- Financing issues
- Land acquisition

Additional findings
✓ Significant entrepreneurial opportunities exist in rural solar markets, particularly in off-grid and micro-grid solutions. Urban markets offer growth potential in rooftop solar and energy services
✓ Key barriers for startups include: Limited access to capital. Regulatory uncertainty & Technological capability gaps
✓ AI integration is emerging as a major opportunity, enabling: Smart energy management, Predictive maintenance solutions & Data-driven solar optimization businesses.
Globally the challenges are different, namely lack of solar power context in government policies, lack of enough sunlight days and demographics reasons.

9. Discussion -
India's solar sector demonstrates strong growth momentum but lags in efficiency and infrastructure. Compared to global leaders, India faces systemic challenges that limit scalability.

10. Conclusion

India is progressing rapidly but requires structural reforms in grid, storage, and financing to match global standards.

- AI is a key catalyst for solar adoption
- India has strong scalable model
- Future depends on AI investment & infrastructure.
- The study underscores the critical role of entrepreneurship in accelerating solar energy adoption. For entrepreneurs and SMEs, solar energy presents a high-potential sector characterized by innovation opportunities across value chains.

Strategic Recommendations: Promote startup-friendly policies and incentives. Enhance access to financing and venture capital, Encourage AI integration in solar solutions & Develop entrepreneurial ecosystems in rural areas. Solar energy, particularly in Asia, represents a transformative opportunity for sustainable entrepreneurship. However, to fully align with business-oriented research and ABDC journal expectations, future research must deepen the integration of enterprise models, startup dynamics, and innovation ecosystems within the renewable energy discourse.

11. Further Research scope

- AI integration in solar energy utilisation in a much more detailed fashion by countries with technical challenges. The need is to make a model for Intelligent Solar energy.
- Country-specific comparisons with a detailed study for each country on six parameters & benchmark with India.
- Use of AI in measuring solar energy impact & challenges, measuring variables & projecting energy by country.

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